

## **STATE OF IDAHO MANAGEMENT COST-CUTTING MEASURES**

Cost-cutting measures must be developed for the short-term (45-60 days), mid-term (3-9 months), and long-term (9-24 months).

Results of reduction measures will need to be quick and immediate.

It's no longer merely an issue of raising taxes or slashing budgets across the board. State agencies must perform surgical fixes on themselves.

### **PERSONNEL COSTS:**

- Develop variety of personnel strategies.
- Restructure and overhaul agency organizational designs

### **OPERATING/ADMINISTRATIVE COSTS:**

- Facilities/Utilities: *(For assistance, contact Larry Osgood, Administrator, Division of Public Works, Department of Administration at 332-1900)*
  - ❖ Evaluate and require better utilization of office space; reduce amount of needed square footage
  - ❖ Disallow all increases in rent or lease renewals
  - ❖ Reduce custodial/janitorial work; defer to next fiscal year
  - ❖ Remind employees of energy saving methodologies – turning off lights, computers, post reminders on computer screen about shutting off machine.
  - ❖ Limit cooling costs by using higher set points; reduce cooling hours
  - ❖ Utilize State energy-saving performance contracts
- Motor Vehicles/Fleet Management: *(For assistance, contact Jan Cox, Administrator, Division of Purchasing, Department of Administration at 327-7465.)*
  - ❖ Reduce fleet size by X number of vehicles
  - ❖ Sell vehicles, pay mileage to employees for around-town travel. Evaluate all vehicles in terms of how they are used, who they're assigned to, etc. Eliminate where possible.
  - ❖ Require used vehicles (1-2 years old, sedans, mini-vans) be purchased for routine driving requirements. Many vehicles are coming back to various dealers through lease returns. The market is fairly soft at the present time. This would not include ISP, ambulances, buses, etc.

- ❖ Restrict purchase of premium-grade gasoline to those vehicles that require it according to manufacturer's recommendations. This would reduce costs in this area about 20 cents per gallon. Idaho's use of premium gas is higher than the average.
- ❖ Purchase all gasoline using the Wright Express fuel card. This automatically reduces the amount paid by the amount of state fuel taxes – 25 cents per gallon. Otherwise, the full fuel price is paid and the agency must make a special filing in order to get the fuel taxes back. (If a P-Card is used to purchase gasoline, the full price is paid.)
- Travel/Training: *(For assistance, contact Rick Thompson, Administrator, Division of Internal Management Systems, Department of Administration at 332-1810)*
  - ❖ Use video conferencing, if possible.
  - ❖ Use teleconferencing or computer meetings.
  - ❖ Make travel arrangements on-line.
  - ❖ Combine/coordinate in-state travel by employees from various agencies. (How many state cars travel from Boise to Pocatello daily?)
  - ❖ Reduce non-statutory or regulatory travel by 50%, or X% (for training, workshops, etc. – would not include law enforcement or regulatory activities)
  - ❖ Use prepaid airline travel coupons.
  - ❖ Coordinate statewide training efforts and find cheaper training options (in-house and state-negotiated lower-cost training). Use web-based educational offerings, practice the concept of "training the trainer."
- Printing/Stationery/Office Supplies/Postage/Purchasing: *(For assistance, contact Jan Cox, Administrator, Division of Purchasing, Department of Administration at 327-7465.)*
  - ❖ Publish documents and reports on the Web
  - ❖ Send a postcard to agency contacts, asking if they want a hard copy of the report, or provide Internet address to download documents.
  - ❖ Cease making paper copies
  - ❖ Moratorium on "color-anything" for one year, except for Dept. of Commerce
  - ❖ Check copy costs. Desktop printing should be limited to immediate need, single-copy type requirements. Studies indicate cost per copy from laser or inkjet-type printers can range from 4.5 to 32 cents per page. Anything above a 4.5 to 5-cent job should be sent to a production copier. If in Boise, larger quantities should be sent to the Copy Center, where cost ranges from 3.5 to 5 cents, depending on volume.
  - ❖ For first class mail, if you are paying more than 35 cents for regular first-class mail, consider having mail prepared to meet USPS requirements, on Postal Center web page in the State of Idaho Postal Companion, and sending to the Postal Center for processing.
  - ❖ Print letterhead on 20# bond, one-color, no foil. Potential savings range from 28-64% over other papers and/or color.

- ❖ Use electronic template for letterhead; do not pre-print letterhead.
- ❖ Business Cards: one color, no foil
- ❖ Encourage use of the more than 300 core items on the office supplies contract. (There are 300+ of the most commonly used items that have the lowest established prices. They represent about 25-30% of the purchases \$1 million +) against the contract. Total purchases approach \$4 million. There is a \$1-\$2 million savings potential.
- ❖ Purchase generic or remanufactured printer cartridges for printers. This could reduce costs for cartridges 30-50% per year. Last year, through Boise Office Products, the state purchases almost \$2 million in printer cartridges.
- ❖ Develop a reporting mechanism for Internet Pcard purchases designed to capture information on Idaho sales taxes paid. If sales tax is paid, there is a process to get it refunded from the State Tax Commission. (While the purchaser can claim the sale to be tax exempt, the seller is not required to make a tax exempt sale. If this is an issue, the option is to find another seller that will sell without the tax.) See Idaho State Tax Commission Brochure #52, Government, or call 334-7660 in the Boise area or toll free at 1-800-972-7660 during business hours.
- Telecommunications/Phones: *(For assistance, contact Joe Roche, Administrator, Division of Information Technology and Communications Services, Department of Administration at 327-7465.)*
  - ❖ Audit the number of telephone lines the agency is utilizing; number of fax lines. Contract for an independent external telecommunications service audit to identify duplication of services, or the opportunity to use more appropriate services. Pay the auditor a percentage of the savings.
  - ❖ Analyze for best value – cell phone use or landlines.
  - ❖ Check and approve long-distance and cell phone charges.
- Contract Management/Association Dues: *(For assistance, contact Jan Cox, Administrator, Division of Purchasing, Department of Administration at 327-7465.)*
  - ❖ Review contract costs carefully, evaluating charges for time and materials.
  - ❖ Ask Division of Purchasing to assist with evaluation of needed changes to existing contracts.
  - ❖ Elicit help from vendors to propose cost savings
  - ❖ Explore potential pre-pay discounts on long-term contracts.
  - ❖ Review value of all subscriptions and dues to professional associations.
- Information Technology/Computer Expense: *(For assistance, contact Joe Roche, Administrator, Division of Information Technology and Communication Services, Department of Administration at 327-7465.)*
  - ❖ Provide additional government services and transactions on-line (contact Access Idaho at 332-0102).

- ❖ Inventory Internet access points, Website-hosting, and portal services to identify weaknesses, vulnerabilities, and duplications with other agencies.
- ❖ Re-bid services, rather than automatically exercise renewals. Changes in the marketplace may have eroded benefits contained in original contracts.
- ❖ In-source, where agency resources can directly deliver service less expensively. Possibly bring out-sourced services in-house.
- ❖ Out-source services that are too costly to support, or which require specialized expertise.
- ❖ Explore computer leasing. Examine specifications on computers to see if the potential exists to save money on needed computer capacity.
- ❖ Look at areas where several individual computer printers are used. Determine if networking the printers is possible.
- ❖ Utilize in-house expertise to train employees on software use.
- Surplus Property, Equipment/Furniture Purchases: *(For assistance, contact Jan Cox, Administrator, Division of Purchasing, Department of Administration at 327-7465.)*
  - ❖ Delay purchase of new equipment and furniture.
  - ❖ Review inventories of state-owned assets, such as real property, equipment, furniture or vehicles. Dispose of surplus properties and equipment that could generate cash for operations of state government.
  - ❖ Before purchasing new, screen state Federal Surplus property website for some items, such as vehicles. Agencies could submit a “want list” and wait up to 30 days for FSP response. If available, obtain items through FSP; if not, procure as usual. Savings up to 90% are possible.
- Agency-Specific Cost-cutting Measures:

### **FOR CONSIDERATION STARTING TODAY:**

- Agency head or senior staff must approve all expenditures of \$100, \$500, or \$1,000, depending on size of agency
- Defer all non-emergency expenditures
- Freeze all non-essential expenditures
- Evaluate short-term personnel savings by one-time actions
- Send an “SOS” to employees, asking for their recommendations for immediate cost-reduction measures.

For questions please contact Pam Ahrens, Director, Department of Administration at 332-1824 or at [pahrens@adm.state.id.us](mailto:pahrens@adm.state.id.us)